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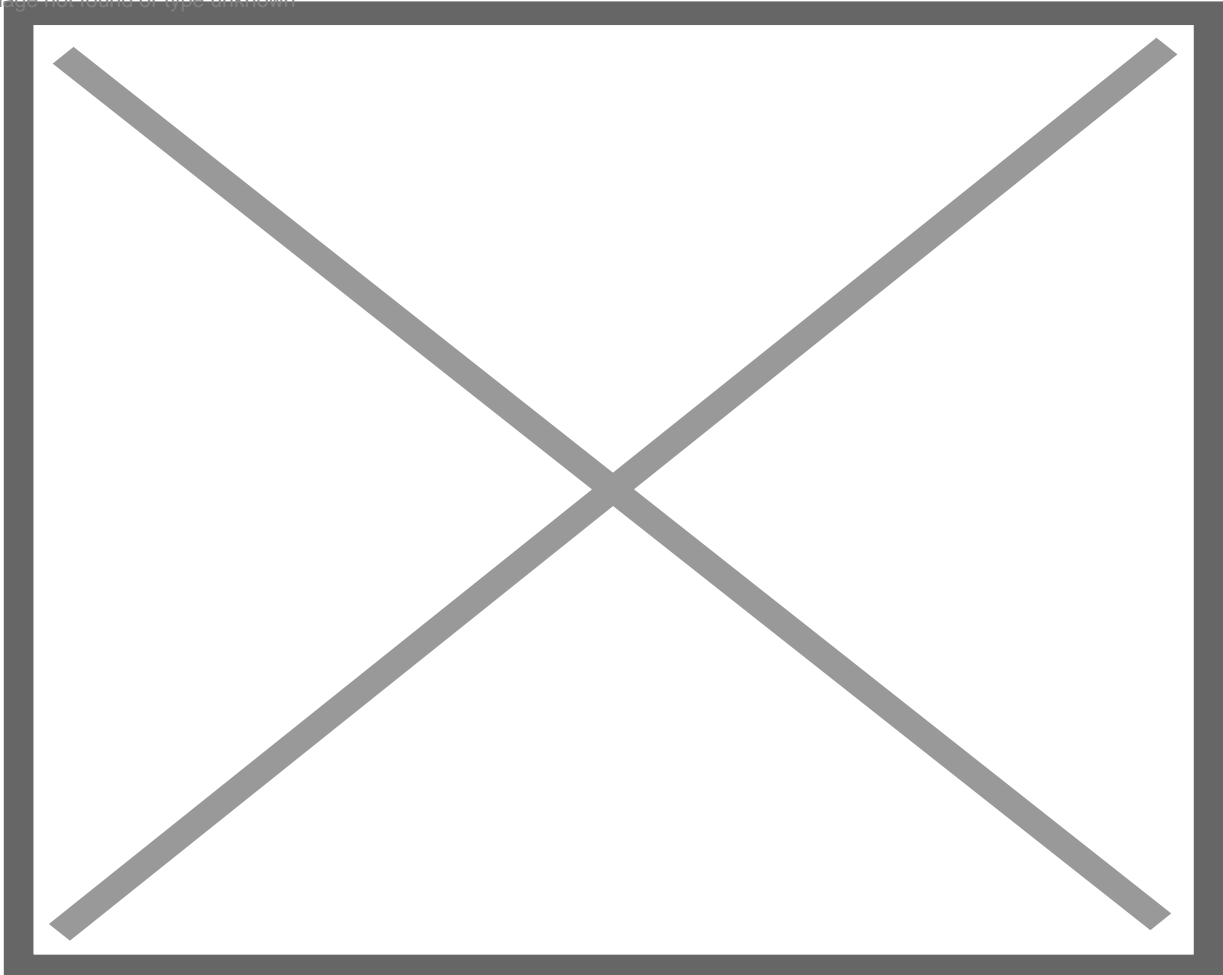
EDA Board Applauds \$35M Havensite Hotel, Set to Open May 2025, as Haven Development Seeks Key Benefits

Haven Development's 126-room Hampton by Hilton project garners praise for its community impact and job creation while the company requests EDA incentives to ensure financial feasibility

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Final rendering of Haven Development's Hampton by Hilton hotel in Havensight.

Members of the Economic Development Authority's Board of Directors were effusive in their praise for Shaun and Beth Miller, owners of Haven Development, LLC. The company appeared before the EDA's public hearing on Thursday, with an application for benefits under the Hotel Development Act.

The application is for what is described as the “first new hotel project in the U.S. Virgin Islands in over two decades,” according to Erica Kellerhals, who represented the Millers before the EDA. The project, which is being constructed next to the Havensite Mall, is a five-storey, 126-room, “upper mid-scale Hotel,” Ms. Kellerhals said, which is scheduled to open its doors somewhere around mid-2025.

Haven Development, in this application, asked for permission to collect an economic recovery fee of 7.5%, along with the usual dedication of hotel occupancy tax revenues toward the payment of debt obligations.

Ms. Kellerhals noted that throughout construction, the vast majority of the team comprised local companies and vendors. After the hotel is built, at least 21 full-time employees are expected to be hired to staff it, “in addition to having a significant part time labor pool.”

Community benefits will be “substantial,” as Haven Development has committed to a \$50,000 minimum annual contribution to local organizations, as well as the required donations to the territorial scholarship fund (\$3,000) and the Department of Labor (\$2,500). Full-time employees are expected to receive health and dental insurance that is fully covered by the company, and enrolled in a 401K that their employer will contribute to at a standard rate of 3% of their salary.

Mr. Miller told EDA board members that the hotel would be a Hampton by Hilton property, noting that the brand is celebrating its 40th anniversary this year. Hampton by Hilton, he said, is the “number one individual hotel brand in the industry,” with over 3000 locations. The brand's focus on “mid-scale, limited service” hotels means that the St. Thomas property will offer comfortable rooms with breakfast and wi-fi. Shared amenities will include a fitness center and meeting facilities, and the property will be able to host outdoor events.

“One of the core benefits of selecting the Havensite area is to support the surrounding restaurants and stores,” Mr. Miller said, explaining why the property would only provide breakfast service. “All the restaurants around the surrounding areas will be supporting the hotel for lunch and for dinner,” he said. “When you walk into your room, we want to have these QR codes on the TV and you can scan it, and they'll show you all the local stores and restaurants,” Mr. Miller explained. Guests can then order food for delivery, or choose to go and pick up their meals. “We want an online marketplace in the hotel to support all the local merchants, whether it's restaurants or stores,” he said.

Construction is progressing steadily, Mr. Miller told the EDA board, and a hotel management company – Hotel Equities – has already been appointed to run St. Thomas's newest property when it opens next May.

After the presentation, board chair Kevin Rodriguez thanked Mr. Miller for “being a good corporate citizen,” while board member Anise Hodge expressed gratitude to him for “seeing the vision over there on Havensite and the need that we have here in the community.”

A question from board member Philip Payne about whether the hotel would offer reasonable rates for overnighting airline pilots and crew resulted in Mr. Miller disclosing his wish for the resumption of morning flights into the territory. “That is a personal goal, and it's a goal for the community,” he said, noting that he has already opened discussions with the airlines on the subject, through his hotel management partner as well as Hilton corporate. Talks are also being held with the V.I. Port Authority. “It would be great by the time we open, if we have some announcement to go with it,” Mr. Miller said, adding that an early morning flight into St. Thomas

would be highly beneficial for the island.

Noting that the project had already exceeded its projected budget of \$35 million, Mr. Miller was nevertheless optimistic about the successful completion of the hotel, saying that “Mother Nature” was the only real challenge that could significantly delay progress. “Thank you for what you're doing in the community,” said board member Positive Nelson.

The requested EDA benefits are crucial to the success of the project as envisioned, explained Ms. Kellerhals. “Without the benefits, the rates are going to have to go higher in order to support the debt service,” she noted. With local banks unable to support the level of lending needed, the project had to seek third-party lending, which meant higher interest rates. “I think that layering the economic recovery fee on top of the designated occupancy tax actually enables you to have a slightly better return at a faster rate,” Ms. Kellerhals said. The provisions in the Hotel Development Act, she added, “really helps rejuvenate that mid-level market area hotel” that the island, and the territory as a whole, needs.

A determination on the application for EDA benefits for Haven Development will occur on a subsequent date.